

(Published in The Wichita Eagle on May 13, 2005)

ORDINANCE NO. 46-591

AN ORDINANCE OF THE CITY OF WICHITA, KANSAS, FURTHER AMENDING SECTION 4 OF ORDINANCE NO. 45-497, REPEALING THE PRIOR VERSION OF SUCH SECTION AND REPEALING SECTION 3 OF ORDINANCE NO. 45-942.

WHEREAS, the City of Wichita, Kansas (the “City”), in furtherance of its objectives relating to economic development and increased economic and business opportunities for qualified, eligible small businesses (both existing and new) within the City’s designated Neighborhood Revitalization Strategy Areas (the “Business Borrowers”), has heretofore, by Ordinances No. 45-497 and No. 45-942, approved the creation of a Wichita Biz Loan Program, designed to link loans (the “HUD Section 108 Loans”) extended to Business Borrowers by the City, using funds drawn under one or more Variable/Fixed Rate Note(s) (the “Note(s)”) and a Contract for Loan Guarantee Assistance (the “Contract”) with the Secretary of the United States Department of Housing and Urban Development (“HUD”), with loans extended on a two-to-one ratio to the same Business Borrowers by private banks; and

WHEREAS, the City now desires to modify the program in one respect, by modifying the provision limiting the original principal amount of the HUD Section 108 Loan(s) that may be made to any Business Borrower under the Wichita Biz Loan Program.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS AS FOLLOWS:

Section 1. Section 4 of Ordinance No. 45-497 of the City of Wichita, Kansas, as previously amended by Section 3 of Ordinance No. 45-942 of the City of Wichita, Kansas, is hereby amended to read as follows:

Section 4. Authorization of Request for Advances and HUD Section 108 Loans to Business Borrowers. When a qualified, eligible small business within one of the City's designated Neighborhood Revitalization Strategy Areas has provided the information and collateral necessary to meet the loan underwriting standards and HUD and Bank eligibility criteria (to the extent applicable), and has obtained the necessary pre-approval from the Loan Review Committee, and successfully completed all procedural and other steps required or provided for under HUD program regulations, the guidelines of the City's Wichita Biz Loan Program, the agreement between the City and the Loan Servicer(s), the Co-Guaranty Agreement between the City and Banks, and the Operating Agreement between the City and the Bank extending the conventional private bank loan to that borrower, the Director of Finance or Acting Director of Finance shall thereupon be authorized to proceed with the acceptance and/or execution and delivery of the loan and security documents necessary to complete the required Request for Advance to obtain an Advance under the Note(s), and close the HUD Section 108 Loan transaction with the Business Borrower (which closing shall be contingent upon receipt of the Advance necessary to finance the HUD Section 108 Loan, and upon the prior or concurrent closing of the conventional bank loan to the Business Borrower in a principal amount twice that of the HUD Section 108 Loan). The original principal amount of the HUD Section 108 Loan(s) to any Business Borrower under the Wichita Biz Loan Program shall not be less than \$8,333.33 and may not exceed the total funds then available for new HUD Section 108 Loans in the Wichita Biz Loan program. In addition to the foregoing, the Director of Finance or Acting Director of Finance shall be authorized to make or request for lump sum drawdowns of Section 108 Advances by September 30, 2004; and make lump sum drawdowns of EDI funds by September 30, 2005 to ensure that the City makes full use of the available funds.

Section 2. Repeal of the Prior Version of the Section Herein Amended. Section 3 of Ordinance No. 45-942 of the City of Wichita, Kansas, and Section 4 of Ordinance No. 45-497 of the City of Wichita, Kansas, as previously amended by Section 3 of Ordinance No. 45-942 and in existence prior to the effective date hereof, are hereby repealed. However, all documents and instruments hitherto executed and delivered, and all action hitherto taken under the authority of such sections, shall have continuing validity and remain in full force and effect under the terms of Ordinance No. 45-497 of the City of Wichita, as amended by this Ordinance.

Section 3. Effective Date. This Ordinance shall take effect and be in full force from and after its adoption by the governing body of the City of Wichita, Kansas, and publication once in the official newspaper of the Issuer.

PASSED by the Governing Body of the City of Wichita, Kansas this 10th day of May 2005.

CITY OF WICHITA, KANSAS

By \_\_\_\_\_  
Carlos Mayans, Mayor

ATTEST:

\_\_\_\_\_  
Karen Sublett, City Clerk

(SEAL)

Approved as to Form:

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Gary E. Rebenstorf  
City Attorney